

MINUTES OF THE
BOARD OF BUSINESS AND ECONOMIC DEVELOPMENT
JUNE 14, 2002 MEETING

Members Present: Dell Loy Hansen, Barbara Zimonja, Jerry Oldroyd, Karen Alvey, Dave Simmons, Debra Tanzi, Richard Nelson, Shelli Gardner, Joel Bradford

Members Absent: Alan Ashton, Ed Ekstrom, Mark Howell, Bill Boyle, Ted Smith, Kenneth Woolley

Visitors: Brice Wallace, Deseret News; Gina Crezee, PacifiCorp; Ray Butcher, Questar Gas; Jacklyn Olsen, The Enterprise; Bret Tippets, DSW; Mari Giles, Wirthlin Worldwide

Staff: David Harmer, Richard Bradford, Bob Fuehr, Marian Hein, Tina Lewis, Lorena Riffon-Jenson, Chuck Schell, Leigh von der Esch, John Homer, Lisa Howe, Tamee Roberts, Ron Richins, Jeri Openshaw, Rod Linton, Mark Renda, Kelly Day

Welcome and Approval of Minutes

Chairman Dell Loy Hansen welcomed everyone to the meeting and called for a motion on the May 17, 2002, minutes.

MOTION: Shelli Gardner moved to approve the May 17, 2002, minutes as submitted. Debra Tanzi seconded the motion and all favored it passing.

Wirthlin Image Survey Results

Mari Giles, Sr. Research Executive for Worthlin Worldwide, presented the results of an Olympic impact survey conducted just prior to and immediately following the 2002 Winter Olympic Games. He stated that there were two groups of individuals polled for the survey, most from the general population and about 150 Fortune 1000 business executives. The main purpose of the survey was to measure attitudes, awareness and reported behaviors about Utah before and after the Games.

The survey results show that among the general public, the image of the state improved slightly. The bottom line is that on certain measurements and things that are directly tied to the Games, the survey showed significant growth following the Olympics, and that overall, there tended to be a slight improvement on awareness and attitudes about Utah. One of the best results of the survey show that there are about 7 million more adults today who say they would be likely to vacation in the state of Utah as compared to immediately before the Olympics.

The results of the corporate executives show that there is a significant increase, (more so than the general public), of positive perceptions about Utah. Also, among those executives who are considering Utah as a place to expand or relocate, there is a doubling in the recognition that there is a quality workforce here. The results also showed an increase in the likelihood that the corporate executives would vacation or move to Utah.

Mr. Giles pointed out two ways the department can gain significant value from this survey data: 1) Use the data to support the points we are already trying to make with our clients, and 2) Use the data for strategic guidance in terms of focused messaging. Copies of the survey results are available by contacting Marian Hein.

Division Report

Bob Fuehr reported on his recent trip to Asia where he spent significant time with our International representatives in Tokyo and Beijing. He also attended several meetings with the Minister of the Western Territories and had a great meeting with the Vice Premier. He noted that one of the things that China is looking at is to move some of their export industries to the United States. The state of Utah was also named to an advisory committee of the Beijing High Tech Conference.

Mr. Fuehr attended the Bio Tech Conference in Toronto with Cathy Rawstorne and Chuck Spence. It was an excellent conference and very well attended with over 15,000 people there. The staff made several good contacts and came back with some very good information. One interesting thing we learned was that many states are putting millions of dollars into biotech institutes, the establishment of biotech operations and biotech research. Interestingly enough, most of those monies are from their tobacco settlements. We also made a presentation to a prospective manufacturing client interested in Utah during the conference; however, the company has now put its plans on hold for a year or two.

June Consent Calendar

IAF Action Items

David Simmons recommended the following items for Board approval on behalf of the IAF Committee:

The first item is a reconsideration of a health food distributor and manufacturer application that was tabled in the May 17, 2002 DBED Board Meeting with the provision that the IAF Committee would revisit this application at a later time if the Company could conform under IAF guidelines. Additional materials were submitted for this meeting to address the reasons the company feels they should be considered Biomedical, which would allow this application to be considered for an incentive. The Committee held a brief discussion about this company being on the edge of Biomedical and whether or not the research that is conducted by the company is high-end medical research. The Committee showed continued support for the company to enhance this expansion with Private Activity Bonds and/or to reconsider a disadvantaged rural area for an expansion location.

MOTION: David Simmons moved and Karen Alvey seconded a motion to approve a maximum performance-based disbursement of \$1,250 per employee position, for a maximum incentive of \$321,500 for 257 new full-time employee positions with a salary meeting or exceeding 125% of the county median wage, with the requirement that the company operations are located in a disadvantaged rural area as defined by IAF statute and policies. Richard Nelson abstained from voting on this item; however with the remaining eight members voting in the affirmative, the motion carried.

The Board discussed the fact that they need more information about the applications they are required to vote on and asked to have a one-page summary of each application prior to the Board meeting.

David Simmons recommended on behalf of the IAF Committee to rescind a \$400,000 incentive previously approved last September to a large resort development company. A motion was made by the committee to terminate the previously approved incentive due to changes in the company's financial conditions.

MOTION: David Simmons moved to rescind the \$400,000 incentive as stated above with a second from Jerry Oldroyd. Motion carried.

Custom Fit Training Action Items

The Custom Fit Training Committee had no action items for Board approval at this time.

July 14, 2002 Proposed Agenda Items

- Consent Calendar Items
- The Board asked to have an update on the Smart Site program at the next meeting and an Olympic impact report if one is available.

Other Business

Chairman Hansen distributed a new DBED Board Committee list (see attached). He stated that the IAF and Custom Fit Committees would now be combined so that prospective companies will only have to go to one source for funding. He also recommended that a Rural Committee be formed to ensure open communication between Utah's rural communities and this Board.

MOTION: Joel Bradford moved to approve the new committee assignments with a second from Jerry Oldroyd. Motion carried.

The Board also discussed the possibility of forming a committee to work with the department on strategic planning about current and possible new ecosystems and the process involved in creating an ecosystem. It was suggested to invite Brian Moss to make a presentation to the Board on how the Utah Life Science was created and how it works.

With there being no further business, the following motion was made:

MOTION: David Simmons moved to adjourn the meeting with a second from Barbara Zimonja. Motion carried.